

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2267-01
Bill No.: HB 913
Subject: Licenses - Motor Vehicle: Liens; Motor Vehicles
Type: Original
Date: March 31, 2009

Bill Summary: Modifies provisions relating to the issuance of a certificate of ownership on certain chattel

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$957	\$957	\$957
Total Estimated Net Effect on General Revenue Fund	\$957	\$957	\$957

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Public Defender** and the **Department of Public Safety - Office of the Director** and **Missouri State Highway Patrol** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Office of Prosecution Services (OPS)** state this proposal will have no measurable fiscal impact on OPS or on County Prosecutors.

Officials from the **Department of Corrections (DOC)** state that, currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY08 average of \$2.47 per offender, per day or an annual cost of \$902 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Revenue (DOR)** assume this proposal eliminates the requirement for DOR to send a 30 day notification, by certified mail, to all owners and lien holders on record before a mechanic lien title can be issued. It allows DOR to issue a Mechanic Lien title upon receipt of the application and accompanying documents.

DOR will need to revise related policies and procedures as well as the DOR website.

In FY 08 there were 349 mechanic lien notification letters sent to applicable owners and lien holders. Due to the elimination of the requirement to notify any owners and lien holders by certified mail, there will be savings to General Revenue in the amount of \$957 per year for envelopes, printing, and certified mail postage.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Savings</u> - Department of Revenue - Notification expenses	\$957	\$957	\$957
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$957</u>	<u>\$957</u>	<u>\$957</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2010 (10 Mo.)	 FY 2011	 FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Businesses wishing to obtain a mechanic lien title will be able to obtain a title, sell the vehicle, and recoup any losses without waiting the current thirty day period.

FISCAL DESCRIPTION

This proposed legislation prohibits an entity that finances or establishes a line of credit enabling motor vehicle dealers to purchase motor vehicles from holding or precluding the dealer from holding any certificate of ownership as part of the financing or line of credit. Any entity convicted of doing so will be guilty of a class A misdemeanor for a first offense and a class D felony for a subsequent offense.

The proposal also changes the laws regarding the issuance of lien titles for motor vehicles, trailers, outboard motors, aircrafts, and vessels. The proposal allows a lienholder to apply for a lien title after notice by certified mail has been sent and not returned accompanied with an affidavit from the lienholder that written notice was provided to all owners and lienholders and a copy of the written notice given by certified mail evidencing the notice was sent.

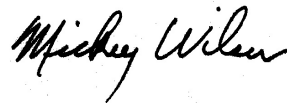
It also requires DOR to issue a lien title upon satisfaction that the application is genuine, proof of lienholder notification is provided, and no lienholder or owner has redeemed the item or demanded a hearing. Currently, DOR must notify the owner and lienholder upon receipt of the application.

FISCAL DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of State Courts Administrator
Department of Corrections
Office of State Public Defender
Office of Prosecution Services
Department of Public Safety
 Office of the Director
 Missouri State Highway Patrol



Mickey Wilson, CPA
Director
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